## American Rescue Plan (ARP) Act of 2021

This webinar is being recorded

Presented on: March 19, 2021





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# American Rescue Plan (ARP) Act of 2021 Overview





### American Rescue Plan (ARP) Act Overview

Enacted into law on March 11, 2021

Contains the following main K-12 funding sources:

- 1. \$122 billion for Elementary and Secondary School Emergency Relief (ESSER) Fund III Emergency
- 2. \$2.75 billion in assistance to Non-Public Schools (EANS)
- 3. \$3 billion for Special Education
- 4. Additional funding for homeless children & youth, Tribal educational agencies, Native Hawaiians, and Alaska Natives





### American Rescue Plan (ARP) Act Overview (cont.)

Purpose of the funds:

 to help meet a wide range of needs arising from the coronavirus pandemic, including reopening schools safely, sustaining their safe operation, and addressing students' social, emotional, mental health, and academic needs resulting from the pandemic.





# Elementary and Secondary School Emergency Relief (ESSER) III Fund

State Level Details





#### ESSER III Fund, State Level

- Provides \$358,707,134 to Alaska for ESSER III Fund
- DEED must reserve the following:
  - At least 5% for activities to address learning loss
  - At least 1% for summer enrichment activities
  - At least 1% for afterschool programs
- DEED may reserve the following:
  - At most 0.5% for administration
  - At most 2.5% for other state activities
- \$322,836,421 must be provided to Districts
- DEED must make allocations to Districts within 60 days of receiving the funds





#### ESSER III

 Provides \$358,707,134 to Alaska as a formula grant distributed to states by Title I, Part A formula

#### 1. U.S. ED

#### 2. DEED

- DEED must reserve the following:
  - At least 5% for activities to address learning loss
  - At least 1% for summer enrichment activities
  - At least 1% for afterschool programs
- DEED may reserve the following:
  - At most 0.5% for administration
  - At most 2.5% for other state activities
- DEED subgrants remaining funds to districts based on Title I, Part A.

- 90% distributed to districts by Title I, Part A formula
- Districts must use at least 20% of the funds they receive to address learning loss.

#### **3. DISTRICTS**





# Elementary and Secondary School Emergency Relief (ESSER) III Fund

**District Level Details** 





#### ESSER III Fund, District Level

- Funds are available through September 30, 2024.
- Districts must use at least 20% of the funds they receive to address learning loss through the implementation of evidence-based interventions and ensure that those interventions respond to students' social, emotional, and academic needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups (each major racial and ethnic group, children from low-income families, children with disabilities, English learners, gender, migrant students, students experiencing homelessness, and children and youth in foster care).
- Equitable services not required.





# Key Differences





#### Funding Comparisons

Торіс	ESSER I	ESSER II	ESSER III
Authorizing Legislation	Section 18003 of Division B of the Coronavirus Aid, Relief, and Economic Security (CARES) Act	Section 313 of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act	Section 2001 of the American Rescue Plan (ARP) Act
Period of Funds Availability	May be used for pre- award costs dating back to March 13, 2020. Available through September 30, 2022.	May be used for pre- award costs dating back to March 13, 2020. Available through September 30, 2023.	May be used for pre- award costs dating back to March 13, 2020. Available through September 30, 2024.
Equitable Services	Required	Not Required	Not Required

#### **Reporting Comparisons**

Торіс	ESSER I	ESSER II	ESSER III
Maintenance of Effort (MOE)	State MOE requirement for each of fiscal years (FYs) 2020 and 2021	State MOE requirement for FY 2022	State MOE requirement for each of FYs 2022 and 2023
Maintenance of Equity	N/A	N/A	Both State and District maintenance of equity requirements for each of FYs 2022 and 2023.
Reporting	Federal Funding Accountability and Transparency Act (FFATA) reporting, and other reporting as the Secretary may require.	States must submit a report that contains a detailed accounting of the use of ESSER II funds, that includes how the State is using funds to measure and address learning loss among students(particularly subgroups) disproportionately affected by the coronavirus.	An SEA must comply with all reporting requirements at such time and in such manner and containing such information as the Secretary may reasonably require.

#### Use of Funds Comparisons

Торіс	ESSER I	ESSER II	ESSER III
Reservations of Funds	No required Reservations	No Required Reservations	20% Required Reservation to address learning loss
Allowable Uses of Funds	ESSER I includes allowable uses of funds related to preventing, preparing for, and responding to COVID-19.	ESSER II funds may be used for the same allowable purposes as ESSER I and ESSER III, including hiring new staff and avoiding layoffs.	The remaining ESSER III funds may be used for the same allowable purposes as ESSER I and ESSER II, including hiring new staff and avoiding layoffs.
Additional Notes	N/A	Note that the additional District allowable uses of funds: addressing learning loss, preparing schools for reopening, and testing, repairing, and upgrading projects to improve air quality in school buildings.	Specifically authorizes a District to use ESSER III funds to develop strategies and implement public health protocols for the reopening and operation of school facilities to effectively maintain the health and safety of students, educators, and other staff.

## Allowable Activities Changes

- Allowable activities no longer include "Provide principals and other school leaders with the resources necessary to address the needs of their individual schools"
- Updated language from "Providing mental health services and supports" to "Providing mental health services and supports, including through the implementation of evidence-based full-service community schools"
- Added a new allowable activity "Developing strategies and implementing public health protocols including, to the greatest extent practicable, policies in line with guidance from the Centers for Disease Control and Prevention for the reopening and operation of school facilities to effectively maintain the health and safety of students, educators, and other staff"
- Separate funding at the Federal level has been provided to support homeless children; however, the district can still support this population with these funds





#### New Requirements

- Required set asides for DEED
- Required 20% set aside for Districts
  - the District must reserve at least 20 percent of funds to address learning loss through the implementation of evidence-based interventions and ensure that those interventions respond to students' social, emotional, and academic needs and address the disproportionate impact of COVID-19 on underrepresented student subgroups (each major racial and ethnic group, children from low-income families, children with disabilities, English learners, gender, migrant students, students experiencing homelessness, and children and youth in foster care).
- Includes Maintenance of Equity provisions for DEED and Districts
  - High-level overview on next two slides, but subject to change based on future guidance.
- Districts must provide a written plan on their website
  - Districts must, within 30 days of receiving the allocations, make publicly available on its website a plan for the safe return to in-person instruction and continuity of services. Before making the plan publicly available, the District must seek public comment on the plan. Smart Start plans may satisfy this requirement.





## New Requirements (cont.)

- State Maintenance of Equity provision High-Need LEAs
  - In FYs 2022 and 2023 the state cannot reduce the per-pupil allocations of high-need LEAs more than the overall per-pupil reduction, if any, across all LEAs in the state.
  - To determine which LEAs are high-need LEAs a state will:
    - Rank LEAs by percentage of economically disadvantaged students,
    - Determine what percent of the state's student population each LEA serves, and
    - Draw a line when collectively the poorest LEAs hit at least 50% of all students.
    - LEAs above the line are high-need, and LEAs below the line are not.

#### Highest Need LEAs

- In FYs 2022 and 2023 the state cannot reduce per-pupil funding for their highest poverty LEAs below what they received in FY2019.
- To determine which are the highest poverty LEAs, a state will go through the same process as determining the high-need LEAs but draw a line when the poorest LEAs collectively hit at least 20% of all students.





### New Requirements (cont.)

- LEA Maintenance of Equity provision
- In FYs 2022 and 2023 LEAs cannot reduce:
  - The per-pupil allocation of state and local funds to high-poverty schools more than the total reduction of funds to all schools divided by the total number of students enrolled in all schools, OR
  - The per-pupil FTE staff in high-poverty schools more than the total reduction of FTE staff in all schools divided by the total number enrolled in all schools.
- High-poverty schools are the 25% poorest schools in the LEA based on their percent of economically disadvantaged students
- This requirement does not apply:
  - To LEAs with less than 1,000 students,
  - To LEAs with one school or one school per-grade span, or
  - If the U.S. Department of Education determines the LEAs has demonstrated an exceptional or uncontrollable circumstance as determined by the Secretary of Education.





# Emergency Assistance to Non-Public Schools (EANS)

Section 2002 of the American Rescue Plan (ARP) Act, 2021





## Emergency Assistance to Non-Public Schools (EANS)

- Provides an additional round of Emergency Assistance to Non-Public Schools (EANS) funding. Approximately \$5.7 million
- Under EANS, the state provides services or assistance to non-public schools that enroll a significant percentage of children from low-income families and are most impacted by COVID-19. EANS funds may not be used to provide reimbursements for costs incurred by non-public schools





# Grant Application Process





## Application Process and Grant Management

- We will use Grants Management System (GMS)
- Budget and Budget Narrative pages will be required
- Assurances will be required and uploaded to GMS
- Application guidance will be available soon
- This will be part of the COVID Relief Application in FY22 and will include ESSER I (CARES Act), GEER I (CARES Act), ESSER II (CRSSA Act) and ESSER III (ARP Act).





## Application Process and Grant Management

- In FY2022, ARP, CRSSA, and CARES funds will be combined into one single application to allow for consolidated administrative funds
- There are three key benefits to consolidating administrative funds:
  - Gives districts more spending options because consolidated administrative funds can be spent on more activities than non-consolidated administrative funds,
  - Can make it easier for staff to work on multiple programs and coordinate with each other and with other district staff, and
  - Can reduce some of the paperwork required of staff who work on federal programs.
- Consolidated administration is treated as one "program" for time and effort purposes. Employees working on consolidated administrative activities are not required to separately track the time they spend on each consolidated program





# Ideas for Possible Allowable Activities





#### Ideas of Possible Allowable Activities

- Bonuses to address pandemic-related recruitment or retention challenges
- Additional compensation to teachers and other staff that work in-person
- Additional compensation to teachers and other staff that have assumed new duties because of the pandemic
- Bonuses to incentivize effective teachers to move to schools with vulnerable students disproportionately impacted by the pandemic
- Additional pay to substitute teachers where there are shortages
- \*Incentive compensation must be given pursuant to an established plan (can be a newly established plan as a result of COVID)





## Ideas of Possible Allowable Activities (cont.)

- Transportation costs including running additional routes
- Purchasing new buses
  - Requires prior, written approval from DEED
  - Must follow capital expense procedures including following the UGG's equipment management rules
- Purchase new, high-quality instructional materials including curriculum (online and in-person)
  - Federal procurement rules apply
- Provide high-quality professional development for newly acquired curriculum
- Additional AP courses and/or AP course materials and support to all students so they can access and succeed in AP courses
- Social and emotional learning programs
- Access to more CTE opportunities, expand CTE to middle grades
- Multi-Tier System of Support (MTSS) materials and screening tools





## Considerations for Construction Projects

- ESSER funds may be used for construction and renovation costs when reasonable and necessary to prevent, prepare for, and respond to the COVID-19 pandemic
  - For example, a district might use these funds to support effective cleaning (such as replacing carpet with tile) or to support social distance (such as reopening an unused wing of the school)
- UGG rules apply
  - Prior approval rules (2 CFR 200.439)
  - Rules on real property (2 CFR 200.311)
  - Rules on financing costs (2 CFR 200.449)
- EDGAR construction rules (34 CFR 76.660, 34 CFR 75.600-75.617)
- Davis Bacon prevailing wage rules (20 U.S. Code 1232b)
- Construction projects are also subject to the Americans with Disabilities Act





## Note: Budgetary Shortfalls

- According to ED, "ESSER funds may be used to bridge budget shortfalls if the deficit is related to the coronavirus and the ESSER funds are needed for education-related expenses"
- Keep in mind:
  - ED's response assumes (1) a decline in revenue that (2) is related to COVID
  - ESSER and GEER have state-level MOE provisions that constrain state funding cuts
  - ESSER III has new MOEquity rules
  - Other federal programs have MOE provisions that constrain state and local funding cuts





## Resources





#### Resources

- American Rescue Plan Act of 2021
- <u>US Department of Education- Education Stabilization Fund</u>
- <u>US Department of Education- American Rescue Plan Site</u>
- <u>Congressional Research Service Memo</u>
- DEED COVID-19 Page
- DEED Smart Start Plan Page





#### Questions









• Email <u>DEED.CARES@alaska.gov</u> regarding any COVID Relief Funding



